



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

May 13, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF THE FINANCING BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT MUSEUM ASSOCIATES
DOING BUSINESS AS THE LOS ANGELES COUNTY MUSEUM OF ART
(SECOND AND THIRD DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a Resolution approving the financing by the California Statewide Communities Development Authority on behalf of Museum Associates doing business as the Los Angeles County Museum of Art.
2. Ratify a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The California Statewide Communities Development Authority (CSCDA) has requested our assistance to facilitate a tax-exempt financing not to exceed \$120 million on behalf of Museum Associates (Applicant) doing business as the Los Angeles County Museum of Art. In order for the CSCDA to complete their financing, the County must hold a TEFRA hearing and the Board must approve the financing to meet certain legal requirements.

The Applicant, a nonprofit public benefit organization, will use the proceeds of the bonds to finance the construction, renovation and equipping of certain educational and charitable facilities. This project is located at 5890, 5905 and 6067 Wilshire Boulevard and 710 South Spaulding Avenue, Los Angeles, California 90036.

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Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County or CSCDA. Repayment of the bonds will be the obligation of the Applicant.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CSCDA is the conduit issuer for this financing on behalf of the Applicant. The County became a member of the CSCDA through a Joint Exercise of Powers Agreement in July 1997. The County's participation in this financing is limited to Board action required to meet certain approval and public hearing requirements.

Pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the Code), this financing must be approved by the governing board of the local agency in which the facilities are located. Public approval of the financing is required by the Code and Section 9 of the Amended and Restated Joint Exercise of Powers Agreement Relating to California Statewide Communities Development Authority dated as of June 1, 1988, among certain local agencies, including the County. In addition, the Code requires a TEFRA hearing be held within the boundaries of and ratified by the local agency. This hearing was duly noticed and is scheduled for May 18, 2004 in the Treasurer and Tax Collector's Office.

Consistent with Board policies regarding conduit financings, we secured appropriate clearances for this financing and have confirmed that there is no County obligation for debt repayment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

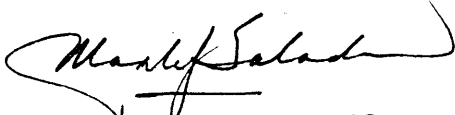
None

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CONCLUSION

Upon adoption, the Department will need two (2) original executed copies of the adopted Resolution.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark J. Saladino", with a horizontal line underneath.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GAB:BLC
pb/brdltr:museum associates

Attachments

c: Chief Administrative Officer
County Counsel
Auditor-Controller

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES APPROVING THE ISSUANCE OF CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TAX-EXEMPT OBLIGATIONS FOR
THE PURPOSE OF FINANCING THE CONSTRUCTION, RENOVATION AND
EQUIPPING OF CERTAIN EDUCATIONAL AND CHARITABLE FACILITIES AND
CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, Museum Associates, a California nonprofit public benefit corporation (the "Corporation") doing business as the Los Angeles County Museum of Art, has requested that the California Statewide Communities Development Authority (the "Authority") participate in the issuance of one or more series of tax-exempt obligations in an aggregate principal amount not to exceed \$120,000,000 (the "Obligations") for the (1) the development, construction and equipping of a new art museum building to be located on the Borrower's campus at 5890, 5905 and 6067 Wilshire Boulevard and 710 South Spaulding Avenue, Los Angeles, California 90036 (collectively, the "Museum Campus"), (2) the development, construction, renovations, improvement and equipping of existing and new facilities on the Museum Campus, including but not limited to the construction of a central heating and cooling plant, improvements to an existing museum facility building known as the Ahmanson Building, entranceways and walkways, connecting structures and landscaping, (3) costs of issuance of the Bonds, and (4) other related expenses and costs, including capitalized interest (collectively, the "Project"), all of which facilities are located within the County of Los Angeles (the "County"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Obligations by the Authority must be approved by the County because the Project is located within the territorial limits of the County; and

WHEREAS, the Board of Supervisors of the County (the "Board") is the elected legislative body of the County and is one of the applicable elected representatives required to approve the issuance of the Obligations under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Obligations by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the County; and

WHEREAS, the County shall not incur any pecuniary liability in connection with the issuance of the Obligations;

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, there has been published, at least 14 days prior to the date thereof, in a newspaper of general circulation within the County, a notice that a public hearing regarding the Obligations would be held on May 18, 2004; and

WHEREAS, such public hearing was conducted on said date by the Treasurer and Tax Collector of the County, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Obligations;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. The above recitals are true and correct.

Section 2. The Board hereby approves the issuance of the Obligations by the Authority. It is the purpose and intent of the Board that this resolution constitutes approval of the Obligations for the purposes of (a) Section 147(f) of the Code, and (b) Section 9 of the Agreement.

Section 3. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing approved hereby.

Section 4. This resolution shall take effect immediately upon its passage.

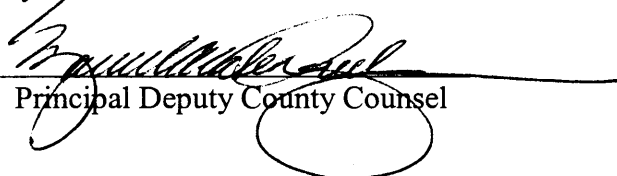
The foregoing resolution was on the _____ day of _____, 2004, duly adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Board of Supervisors

By: _____

Approved as to form:

County Counsel

By: 
Principal Deputy County Counsel